

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

July 9, 2003

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY**

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**DOCKET NO.
03-00364**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Sara Kyle, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 16, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to reduce its service territory in the Goose Creek Area of Williamson County, Tennessee to exclude the territory within the corporate limits of the Town of Thompson's Station.

Background

On April 6, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

On February 15, 2002, On-Site filed a petition in TRA Docket No. 02-00172 to expand its service territory to include an area in Williamson County known as Goose Creek. As Goose

Creek is within the City of Franklin's Urban Growth Boundary, On-Site contacted Franklin about this petition, as well as Williamson County and H.B. & T.S. Utility District, all of which declined to provide wastewater treatment services in the territory at issue in the petition. However, even though the expanded service territory included a portion of the incorporated boundaries of the Town of Thompson's Station, On-Site failed to notify officials of Thompson's Station about the proposed expansion. On September 20, 2002, the TRA issued its Order granting On-Site's petition.

Officials of the Town of Thompson's Station learned of On-Site's CCN to provide wastewater treatment services in a portion of its boundaries and contacted the TRA. The attorney for the Town of Thompson's Station discussed with both the TRA and On-Site, the Town's intention to provide such services within its entire corporate limits. On May 13, 2003, the Mayor and Board of Alderman of the Town of Thompson's Station passed a resolution for this purpose.

Petition to Amend CCN

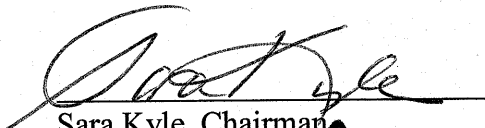
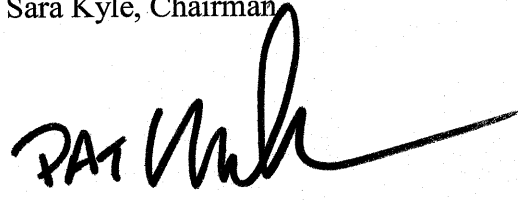
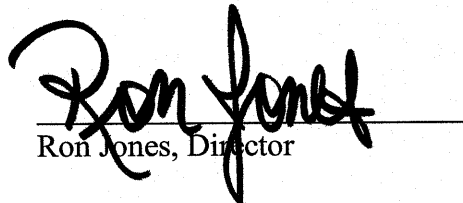
On May 20, 2003, On-Site submitted the Petition to amend its Certificate of Public Convenience and Necessity to reduce its service territory in the Goose Creek Area of Williamson County to exclude the territory within the corporate limits of the Town of Thompson's Station. In the Petition, On-Site stated that the area within the Town of Thompson's Station was included in the original petition in error and that On-Site had no existing customers in this area.

June 16, 2003 Authority Conference

The voting panel assigned to this docket considered On-Site's Petition at the regularly scheduled Authority Conference held on June 16, 2003 and voted unanimously to approve the Petition.

IT IS THEREFORE ORDERED THAT:

The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to reduce its service territory in the Goose Creek Area of Williamson County, Tennessee to exclude the territory within the corporate limits of the Town of Thompson's Station is approved.


Sara Kyle, Chairman
Pat Miller, Director
Ron Jones, Director